

EXHIBIT 28

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Puerto Rico

Resident Commissioner Says Commonwealth Should Analyze Using Budget Surplus to Make Debt Interest Payments, Calls Lack of Market Access 'Dangerous'

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Resident Commissioner Jennifer González said this afternoon that the administration of Gov. Ricardo Rosselló should consider using any budget surplus to pay interest on its public debt, a move which she said could help regain investor trust and reopen capital markets for the Puerto Rico government. She also expressed confidence that the commonwealth government will receive a Community Disaster Loan of more than \$2 billion from the federal government during the current fiscal year. The resident commissioner spoke after delivering a speech at a Minority Business Development Agency event in San Juan. González gave an overview of the federal disaster aid coming to the island and pledged to fight to ensure that local contractors participate in the recovery and rebuilding work on the island.

The resident commissioner said that the [recently approved \\$16.5 billion](#) injection of federal funding in critical areas such as healthcare “will relieve the pressure of having to make payments that you had to make before” and open the way for the government to begin analyzing making debt payments. “Making a serious evaluation will contribute to creating the environment that will enable Puerto Rico access these markets again. We are going to be in hurricane season again in a few months, and we don’t have access to these markets. This is very dangerous,” she said, adding that the state government needs market access despite the federal government disaster funding.

“I have confidence in what the governor is doing, but I believe if there is a surplus, after complying with pensions and other obligations, there should be an evaluation as to whether you can at least pay the interest on the debt,” she added. González also said such a move would bring more “certainty” to Puerto Rico’s bond market. She noted that local COFINA and general obligation bondholders are not currently investing because of the uncertainty, which is harming the island economy. This is another consideration in restarting interest payments, she said.

González said she has not discussed the issue with Gov. Ricardo Rosselló and declined to speculate whether the move would win commitments from creditors to lend to the commonwealth once again.

The resident commissioner said her call for an analysis of resuming interest payments is completely separate from the CDL issue and expressed confidence that the commonwealth government could get a loan of \$2.065 billion. González said she met with U.S. Treasury officials on Tuesday after Rosselló [sent a letter](#) to congressional leaders complaining about the “arbitrary conduct” by federal officials that has “effectively blocked Puerto Rico’s access to approximately \$4.7 billion in CDL program funds that Congress made available last fall.”

The resident commissioner said that the CDL is meant to cover revenue losses and unexpected payments by jurisdictions in the wake of disasters, and Treasury officials explained to her that the reduced \$2.065 billion corresponds to the losses the commonwealth was able to demonstrate. González said she is against the U.S. Treasury policy that conditions release of CDL proceeds on the commonwealth’s cash balance dipping below \$800 million.

Two sources familiar with the matter said the U.S. Treasury’s cash balance policy is akin to a rejection of the lending because the commonwealth’s cash balance is not expected to dip that low. The day after [the governor’s letter](#) was released, the U.S. Treasury issued [a release](#) highlighting its cash balance policy and stated that it was putting in place loan documentation for the Puerto Rico government to “quickly access funding” should the commonwealth’s cash balance fall below \$800 million

However, the resident commissioner said her office is arranging a meeting with U.S. Treasury, commonwealth and PROMESA board officials that is aimed at “harmonizing the need that the Puerto Rico government has” with these requirements, and she expressed confidence that the loan proceeds would begin flowing during the current fiscal year.

González emphasized that the CDL process for island municipalities is under way, and she said she expects all towns to receive the financing to cover their needs. Although the program is typically capped at \$5 million, she said large town governments will be able to receive more in order to cover their losses and that towns will have a full year under the program to assess their financial losses.

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